

# BAF3M Final Exam Review

**Format:** True False (20 Questions), Multiple Choice (35 Questions), Fill-in-the-Blanks (15 Questions), Income Statement (12 Marks), Cost of Goods Sold Schedule (10 Marks), Invoice Payment Schedule (with credit notes and discounts) (6 Marks), Distribution of Net Income (7 Marks), Ethics Case Study (15 Marks).

## Major Concepts to Review:

- 1) Review how to create and format a simple Income Statement.
- 2) Recall how to complete a schedule of Cost of Goods Sold (review the equation for this calculation)
- 3) Recall how to complete an invoice payment schedule (discount terms and credit invoices)
- 4) Recall how to complete a Statement of Distribution of Net Income (3 Partners)
- 5) Recall ethical decision making and problem solving.

## Review Questions to Consider:

- How do you read the terms of sale on a sales invoice? (eg. 2/15,n/30)
- What are the various types of source documents? How can you tell?
- On Worksheets, which accounts of the income statement/balance sheet do the various trial balance entries extend to?
- What is the periodic inventory system and what does it allow merchandising businesses to do?
- What are the features of a corporation? (When do they end, responsibilities, advantages, disadvantages)
- Recall **journal entries** for various transactions and source documents (for a sales invoice, what account is always debited?)
- Recall **the accounting process** (In what order is the accounting cycle completed? What statements are prepared when?)
- What are merchandising companies and what are examples of some?
- Recall **balance sheets** and how they are created (where to assets/liabilities appear, how are things underlined, etc.)
- Review **closing entries**. (How are they formatted/journalized?)
- Recall Cost of Goods Sold formula and items that make up the equation (freight-in, etc.)
- How are total assets increased/decreased (what kind of transactions?)
- Review how to journal various transactions.
- Review how to remit any HST taxation
- Recall the Generally Accepted Accounting Principles (GAAP).
- Recall Depreciation (both straight line and declining-balance).
- How do you close accounts? (Journal for closing entries)